

Project Information



A. Instructions

Using the information below, complete the LIHTC Application. You will have to figure out how to arrive at the Total Project Costs, final score and tax credit award (at a minimum). Review each tab closely (except Nonprofit & Targeting) to ensure all items have been checked and that Project Team information is consistent (if applicable). Also, if there are any fees listed due to an Identity of Interest, you may have to list them or need to confirm they match the amounts in the Costs and Credit Calc. Tab.

There are 8 purposely made errors. Some may be identifiable as you work through the Application and hit submit; others are not able to be coded to generate an error so you will have to rely on your knowledge of the 2015 QAP and/or your proofreading skills. In Section C. below, you may fill out the errors as you discover and fix them. We will review the errors and the final application once everyone has completed or at least ½ hour before the session ends. Hint: No error is an unchecked box. 😊

B. Project Details

- Location: Primary Address: 1555 A Avenue, Lamoni, IA 50140-0000 (don't worry about the made-up last 4 digits for training purposes – but you shall use correct #'s in the LIHTC Application you submit to IFA.) Project is not in a QCT, but is in a Non-MSA City, and is considered an Underserved City. Site is appropriately zoned for the proposed development.
- New Construction
- State HOME funds needed – 4 HOME Units
- 40/60 Set-Aside
- Located within 1 mile (driving distance) of a full service grocery store, a middle school, a medical clinic, and a city park. (Make up names and address for training purposes only)
- One building – standard apartment type, 3 stories with 1 elevator and 2900 sq. ft. of common space (this includes the on-site leasing office & fitness center).
- The expected Placed-in-Service date is 7-1-2016
- Not an Iowa Rose Program
- No Rental Assistance
- Targeting Plan – no entry required – it's ok
- Demolition is required or planned of the existing building & the demolition cost will be paid by the seller of the land.
- No current existing occupied building.
- Portion of the Site is a wet land.
- Purchase Price \$265,000 with option to purchase through October 31, 2015. 3.49 acres
- Identity of Interest exists between the seller of the property & the Ownership Entity. A member of the managing member and the Developer has partial ownership interest in the real estate being purchased for the proposed Project.
- Owner is a single-asset entity.
- Identity of Interest between the Ownership Entity and the general contractor and builder.
- Identity of Interest between the managing member, Developer, and General Contractor.
- The managing member and the Developer listed the same project completed in which an 8609 has been issued and all units leased at least once within the past 7 years as they both were involved in that project.
- Consultant's fee is \$30,000.

- Unit Information = 43 Units – 41 LIHTC of which 4 are HOME/LIHTC, 2 Market Rate Units

Bdrm Size	AM%	# Bath	Net Sq. Ft	Rent	Fully Accessible	Type A	Type C	Unit with Comm. Features	LIHTC Units	LIHTC-HOME Units	Market
1	60%	1	800	\$435						2	
1	60%	1	800	\$600					1		
1	40%	1	800	\$425					1		
1	30%	1	800	\$315					1		
2	60%	1.5	1025	\$555						2	
2	60%	1.5	1025	\$560					7		
2	-	1.5	1025	\$750							1
2	40%	1.5	1025	\$505					2		
2	30%	1.5	1025	\$379					1		
3	60%	2	1400	\$890					13		
3	-	2	1675	\$950							1
3	40%	2	1675	\$560					6		
4	60%	2	1675	\$975					3		
4	40%	2	1675	\$650					2		
TOTAL	43								37	4	2

- Video Security Expense of \$2,400
- Free Internet Connectivity expense of \$280
- Investor fee (operating expense) \$10,000
- Replacement Reserves \$18,000
- Total Operating Costs = \$166,455
- 15-Year Avg. Debt Coverage Ratio is 1.387
- Debt Service from Funding Sources is \$114,408
- Basic Amenities (you will have to figure out the items for scoring)
 - 62 surface parking spaces(included in rent), ceiling fans, kitchen exhaust fans, refrigerator, microwave, electric range, vertical blinds, central air and gas water heating and gas heat. Owner will pay all utilities except electric. Security locked building, fitness center, on-site leasing office, picnic area/table, 1,200 sf. Community room
- Rent-Up Reserves = \$25,000
- Total Project Costs = \$7,507,157
- Total Qualified Basis = \$8,658,148
- Applicable Fraction = 95.3488%
- Final Score shall be 209 (updated from 207)**
- Final Credit amount \$658,019**

C. Errors

	Tab Name	Error
1	Site Control-Cost Credit Calc. Tab	Purchase Price in Site Control was \$265,000, but \$256,000 was listed in the Costs and Credit Calc. Tab. \$265,000 needed to be used.
2	Site Control Tab & Buildings Tab	The Option end date was 10-31-2015 which was listed correctly in the buildings, but not on the site control.
3	Buildings Tab	All Accessible Units can't be of the same size. Had all of them as 4 bedrooms.
4	Costs and Credit Calc. Tab	The Reservation Fee amount was incorrect. Should've been \$65,802.
5	Costs and Credit Calc. Tab	Demo is not a Project expense since seller is paying for the demolition so the \$8,000 needed to be removed.
6	Project Team	Identity of Interest was listed as no on fees on managing member tab and there is one between mm and GC so the Builder Overhead, Builder Profit, and General Requirement Fees needed to be listed & explanation provided.
7	Project Team	The Developer and mm listed same Project as having an 8609 in the past 7 years, but inconsistent information was provided regarding the Developer name. Developer on mm tan should've been Testers United.
8	Costs and Credit Calc	Development Consultant fee of \$30,000 needed to be included.